

Message Text

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E.O. 11652: N/A
TAGS: ENRG BEXP MX
SUBJ: PEMEX'S OUTLOOK 1977-82.

1. SUMMARY: PEMEX DIRECTOR GENERAL JORGE DIAZ SERRANO TOLD A NEWS CONFERENCE THAT MEXICO WOULD RAISE THE PRICE OF ITS OIL EXPORTS BY 10 PERCENT TO \$12.30/BBL EFFECTIVE JANUARY 15, 1977. HE OUTLINED \$45 BILLION BUDGET THAT CALLED FOR PRODUCTION OF 2.2 MILLION B/D BY 1982, 400 THOUSAND B/D MORE THAN PREVIOUS PLANNING. END SUMMARY.

2. IN A DECEMBER 23 NEWS CONFERENCE, PEMEX DIRECTOR GENERAL JORGE DIAZ SERRANO ANNOUNCED A 10 PERCENT INCREASE IN THE PRICE OF MEXICAN CRUDE EFFECTIVE JANUARY 15, 1977. HE SAID MEXICO WILL SELL ITS OIL IN ACCORDANCE WITH THE PRICES SET BY OPEC. DOMESTIC PRICES WILL NOT BE RAISED AT THIS TIME HOWEVER.,

3. PEMEX'S BUDGET FOR THE NEXT SIX YEARS WILL BE \$45 BILLION OF WHICH \$15.5 BILLION WILL GO INTO NEW INVESTMENTS. THIS IS ABOUT \$5.5 BILLION MORE THAN THE PREVIOUS ADMINISTRATION HAD PLANNED TO INVEST AND WILL BE DIVIDED AS FOLLOWS: EXPLORATION - 8 PERCENT; PRODUCTION 46
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PERCENT; REFINING - 15 PERCENT; PETROCHEMICALS - 17 PERCENT; TRANSPORTATION AND DISTRIBUTION - 13 PERCENT; OTHER - ONE PERCENT.

4. PEMEX WILL DRILL 3,476 WELLS DURING THE NEXT SIX YEARS, 2152 PRODUCTION WELLS AND 1324 FOR EXPLORATION.

477 PRODUCTION WELLS WILL BE DRILLED IN THE CHIAPAS-TABASCO AREA AND 120 ON THE CONTINENTAL SHELF IN THE GULF OF CAMPECHE.

5. DIAZ SERRANO EXPECTS A YEARLY INCREASE IN EXPORTS OF 50,000 B/D TO A TOTAL OF 400,000 B/D OF CRUDE IN 1982. 130,000 B/D OF NEW PRODUCTION WILL COME FROM IMPROVED SECONDARY RECOVERY, BOTH WATER FLOOD AND GAS REINJECTION, AND 118,500 FROM CAMPECHE SHELF.

(COMMENT: PEMEX WAS NEARING COMPLETION OF A WATER INJECTION SYSTEM FOR THE SAMARIA FIELD IN SEPTEMBER 1976. IT HAS LITTLE OR NO EXPERIENCE WITH GAS REINJECTION.) TOTAL PRODUCTION SHOULD REACH 2.2 MILLION B/D OF CRUDE, 3.6 BILLION CUBIC FEET OF GAS. EXPORTS OF CRUDE AND REFINED PRODUCTS WILL BE 1.1 MILLION B/D.

6. REFINERY CAPACITY WILL INCREASE FROM 865,000 B/D TO 1.67 MILLION B/D WITH THE COMPLETION OF THE NEW REFINERIES AT CADEREYTA, NUEVO LEON, AND SALINA CRUZ, OAXACA, AND THROUGH EXPANSION OF EXISTING FACILITIES. PETROCHEMICAL PRODUCTION WILL RISE FROM 5.8 TO 18.6 MILLION TONS.

7. EMBASSY WILL SEND COMMENTS ON APPARENT INCONSISTENCIES BY SEPTEL.
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